Filed for intro on 02/22/95 Senate Bill_____ By

House No. HB1514 By Kisber

AN ACT to amend Tennessee Code Annotated, Section 2-10-102; Section 2-13-202; Section 2-3-203; Section 2-5-208(c)(1)(D); Section 2-8-110(a); Section 2-8-111; Section 65-1-101 and Section 65-1-102, relative to the restructure and qualifications of members of the public service commission.

WHEREAS, in the late 1800's, railroad commissions were established in many states by reason of the impact of rail rates on the economies of the states; and

WHEREAS, by Chapter 10 of the Public Acts of 1897, the Tennessee Railroad

Commission was established, the name of which has since been changed to the Tennessee

Public Service Commission; and

WHEREAS, members of the Public Service Commission are elected statewide and usually receive large campaign contributions from employers and owners of companies regulated by the Commission; and

WHEREAS, because of the need for commission candidates to raise campaign funds and because of the influence of contributions from individuals who have an interest in proceedings before the Commission, the United States District Court for the Middle District of Tennessee has found that the Commission operates "in an environment permeated with political"

considerations" and discriminates in favor of companies which contribute to the commissioners' campaigns; and

WHEREAS, in three-quarters of the states, the members of similar commissions are appointed, not elected; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 65-1-101, is amended by deleting the section in its entirety and substituting instead the following:

- (a) There is a commission consisting of five (5) members known as the Tennessee public service commission. At least one (1) member shall be from, and reflect the concerns of, each grand division of the state. A commissioner is a state officer, and each shall serve a term of six (6) years.
- (b) The incumbent commissioner in each grand division shall continue to hold such office until the successor from that grand division is appointed and sworn in by the general assembly. Thereafter, the general assembly shall, by a joint vote of both houses during the organizational session, appoint the appropriate number of commissioners biennially to succeed such commissioners whose term expire next after the previous appointment.
- (c) During the organizational session of the general assembly in 1997, one (1) commissioner from East Tennessee, together with two (2) commissioners from any grand division of the state, who meet the qualifications set out in subsection (d) of this section, shall be appointed for the state by a joint vote of both houses of the general assembly. During the organizational session in 1999, the general assembly shall, by a joint vote of both houses, appoint for the state a commissioner from Middle Tennessee and during the organizational session in 2001, the general assembly shall, by a joint vote of both houses, appoint for the state a commissioner from West Tennessee. If a vacancy on the commission occurs more than thirty (30) days from the date the general

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assembly is next scheduled to be in session, such vacancy shall be filled by appointment by the governor to serve until the next session of the general assembly. The general assembly shall then, by a joint vote of both houses, appoint a person to serve for the remainder of the unexpired term.

- (d) Appointments shall reflect the following requirements:
- (1) The majority political party shall be represented on the commission by three (3) commissioners.
- (2) The leading minority political party shall be represented on such commission by two (2) commissioners.
- (e) At least one (1) such commissioner shall represent the interests of Tennessee consumers of public utility services or shall be an attorney, accountant or degreed engineer familiar with consumer and public utility issues.

SECTION 2. Tennessee Code Annotated, Section 2-3-203, is amended by adding the word "and" to the end of subpart (5); by deleting the language ";and" at the end of subpart (6) and substituting instead a period "."; and by deleting subpart (7) in its entirety.

SECTION 3. Tennessee Code Annotated, Section 2-5-208(c)(1), is amended by deleting subdivision (D) in its entirety and by redesignating the subsequent subdivisions accordingly.

SECTION 4. Tennessee Code Annotated, Section 2-8-110(a), is amended by deleting the language "member of the public service commission,".

SECTION 5. Tennessee Code Annotated, Section 2-8-111, is amended by deleting from item (4) the language "or public service commissioner,".

SECTION 6. Tennessee Code Annotated, Section 2-10-102(11)(B), is amended by deleting the language "public service commissioner,".

SECTION 7. Tennessee Code Annotated, Section 2-13-202, is amended by deleting subdivision (2) in its entirety and by renumbering the remaining subdivisions accordingly.

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SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring

it.

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- AN ACT to amend Tennessee Code Annotated, Section 2-10-102; Section 2-13-202; Section 2-3-203; Section 2-5-208(c)(1)(D); Section 2-8-110(a); Section 2-8-111; Section 65-1-101 and Section 65-1-102, relative to the restructure and qualifications of members of the public service commission.
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- AN ACT to amend Tennessee Code Annotated, Section 2-10-102; Section 2-13-202; Section 2-3-203; Section 2-5-

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208(c)(1)(D); Section 2-8-110(a); Section 2-8-111; Section 65-1-101 and Section 65-1-102, relative to the restructure and qualifications of members of the public service commission.

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